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CHARITIES TAXATION, POLICY & PRACTICE — CASELAW COLLECTION

Robert B. Hayhoe
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Publisher's Special Release Note 2026

The pages in this work were reissued in August 2026 and updated to reflect that date in the release line. Please note that we did not review the content on every page of this work in the August 2026 release. We will continue to review and update the content according to the work's publication schedule. This will ensure that subscribers are reading commentary that incorporates developments in the law as soon as possible after they have happened or as the author deems them significant.

This release updates the Caselaw Collection with recent cases.

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Highlights

Volume 1

Chapter 6

Benefits Received, Is it a Gift?

In *Toews v. The King*, the Tax Court of Canada examined whether the CRA could reassess a taxpayer beyond the normal reassessment period in connection with a leveraged charitable donation arrangement. The taxpayer had participated in a donation tax shelter program, and the CRA sought to rely on provisions of the *Income Tax Act* to justify the extended reassessment. The Court found in favour of the taxpayer, making this a notable success for donors caught up in charitable donation shelter arrangements.

Volume 2

Chapter 7

Gifts in Kind: Valuation and Related Issues

In *Rowe v. The King*, the Tax Court of Canada considered a taxpayer's appeal of a reassessment that denied a charitable donation tax credit claimed in respect of a gift in kind of certain licences to a registered charity. The case adds to the well-established line of authority in this section dealing with the validity of non-cash gifts to charitable organizations and the tax credit consequences that flow from them under the *Income Tax Act*.

Chapter 11

Revocation of Registration

In *Priority Foundation v. Canada (National Revenue)*, the Federal Court of Appeal dismissed a registered charity's appeal of the CRA's decision to revoke its charitable status. The central issue was whether Article XXI(7) of the Canada-United States Tax Convention operates to render U.S. 501(c)(3) tax-exempt entities as "qualified donees" under the *Income Tax Act*, thereby permitting Canadian registered charities to make gifts to such entities. The Court held that it does not, finding that the Treaty provision is intended to provide limited tax relief to individual donors with U.S.-source income — not to alter the regulatory framework governing Canadian charities. This is a landmark decision with significant implications for cross-border charitable giving.

Volume 3

Chapter 13

Federal Court Procedural Issues

In *Canada (National Revenue) v. Ne'eman Foundation Canada*, the Federal Court considered a motion by a registered charity to set aside a jeopardy order obtained by the Minister of National Revenue under section 225.2 of the *Income Tax Act*. The order had been sought to prevent the dissipation of assets following the revocation of the charity's registration and the issuance of a federal tax assessment. The Court dismissed the motion, finding that the charity had not met its burden of establishing grounds to set aside the order. The constitutionality of section 225.2 as it applies to charities was reserved for a future hearing, making this a case worth watching as that issue develops.

